

# **Peterborough City Council**

## **Members' Allowance Scheme**

The statutory Members' Allowance Scheme was first approved 18 July 2001 and took effect from 3 September 2001.

## 1. INTRODUCTION

The payment of allowances to councillors is governed by the Local Government Act 2000 (S99-100), and the Local Authorities (Members' Allowances) (England) Regulations 20031, and makes provision for the following allowances:

- a) a 'basic allowance' payable to all councillors;
- b) a 'special responsibility allowance' payable to some councillors who, in the Council's opinion, make a significant additional contribution to the Council's work;
- c) a child and dependant carer's allowance (optional);
- d) travelling and subsistence allowance
- e) co-opted Members allowance.

The Local Government Act 1972 (and subsequent amendments and regulations) provide for payments to cover expenses incurred by:

- a) the Mayor, while carrying out his/her duties in office (section 3(5) of the Act); and
- b) the Deputy Mayor, also for expenses incurred in office (section 5(4) of the Act).

The 2003 Regulations made it necessary for councils to set up an independent panel to advise the Council about its levels of basic and special responsibility allowance, and the payment of certain expenses. . The Council determines its own allowances scheme, but must have regard to this independent panel's recommendations. Peterborough's Member Allowances Panel's terms of reference and constitution were set at Council on 11<sup>th</sup> April 2001 (Appendix 1).

The panel does not have a statutory role in commenting upon the expenses payments of the Mayor and Deputy Mayor but the Council may voluntarily ask the panel for advice about them. This document deals with allowances first, then expenses payments and levels of equipment provided to councillors for their council business.

## STATUTORY MEMBERS' ALLOWANCES SCHEME

### 2.1 Basic allowance

Every City Councillor shall receive an annual allowance of £10,100. It will be paid in instalments of one-twelfth on the 28<sup>th</sup> of each month, with minor adjustments where necessary to ensure that the total annual sum is correct. The allowance is subject to an annual update - see paragraph 2.6 below.

The basic sum covers all expenses and time incurred by a City Councillor in carrying out his/her ordinary duties for the Council, including telephone and travel and subsistence costs. However, it excludes travel and subsistence allowances for approved duties outside the district, which are referred to separately below. Furthermore, the Council makes available to councillors a certain amount of equipment over and above the basic allowance. Again, this is referred to separately below.

### 2.2 Special responsibility allowances

An annual special responsibility allowance (SRA) will be paid to certain councillors. As a councillor may only receive one SRA, any councillor fulfilling more than one special role shall choose at the start of the municipal year which SRA to claim. SRAs will be paid in monthly instalments. They are not payable when a councillor temporarily steps into another's role (say, when the vice-chairman chairs a meeting).

<b><u>Table of special responsibility allowances</u></b>	<b><u>Annual sum (£)</u></b>
Leader of the Council (3 x basic allowance)	30,300
Deputy Leader (66.67% of the Leader's allowance)	20,201
Cabinet Members (50% of the Leader's allowance )	15,150
Cabinet Advisors (25% of the Leader's allowance )	7,575
Chairman Planning & Environmental Protection Committee (30% of the Leader's allowance )	9,090
Chairman of Licensing Committee (25% of the Leader's allowance)	7,575
Chairman of Audit Committee (25% of the Leader's allowance)	7,575
Chairman of Corporate Parenting Committee (25% of the Leader's allowance)	7,575
Chairman of Employment Committee (6.25 % of the Leader's allowance)	1,894
Chairmen of Scrutiny Committees (4 members) (25% of the Leader's allowance)	7,575
Independent Person of the Council	1,000.00
Deputy Independent Person of the Council (up to 2 people)	500.00
Co-opted Members	250
Leaders of Opposition Groups (To be distributed on a pro-rata basis dependent on the number of members in each group – (25% of Leader's allowance) divided by number of members of the Opposition Group) (This allowance should not be paid to the leader of any additional groups which have the same political allegiance as one already recognised by the Council.)	7,575

### **2.3 Child and dependant carer's allowance**

Councillors may claim reimbursement of actual, reasonable costs incurred in using childminders, babysitters or other sitters for dependants while carrying out approved duties. Approved duties are listed in a separate section below. Claims should be made monthly in arrears, by attaching the receipt(s) to the submitted member's claim form and entering the amount claimed on the form.

Information about registered childminders is available from the Council's Family Information Service. Details of care services for elderly and disabled dependants are best obtained from Peterborough or Cambridgeshire Carers Trust.

### **2.4 Renunciation of allowances**

A councillor may choose to forego all or part of his/her entitlement to basic or special responsibility allowances under this scheme. If this is the case, he/she should give notice of this in writing to the Monitoring Officer, stating what element of his/her allowance entitlement he/she does not wish to claim. The notice should also state whether this is for the current municipal year or the remainder of the Councillor's term

of office – if the notice does not specify a time period then it will be assumed to mean the remainder of the term of office.

A member not wishing to claim the expenses described in section 3 below need not give notice in writing – he/she simply does not submit any expenses claim forms.

## **2.5 Publicising allowances and expenses paid**

As required by law, the Council publishes any recommendations which its Members Allowances Panel makes about members' allowances, and also the conclusions which the Council reaches as a result of those recommendations.

Each year it advertises the total sum paid during that year to each councillor in respect of basic allowance, SRAs, expenses and childcare/dependant carer's allowance. The information is published on the Council's website

The Council publicises the expenses and/or remuneration paid to any elected Member appointed on behalf of the Council to the Police and Fire Authorities. Publication of these figures takes place at the same time as each individual body publishes this detail.

The Monitoring Officer maintains a file of payments to Members.

## **2.6 Annual Updating**

The scheme is reviewed by the panel every four years, unless the Council requests a review as a result of changes or developments in councillor responsibilities. In the intervening years, the basic allowance is updated annually with effect from 1<sup>st</sup> April, at the same level as the National Joint Council for Local Government Services (green book), as notified by the Local Government Association each year.

## **3. PAYMENT OF EXPENSES**

### **3.1 Approved duties**

Councillors and co-opted members may claim reimbursement of travel, subsistence and conference expenses incurred whilst undertaking an approved duty outside the district. Attendance at any of the following is an approved duty:

- any Council meeting
- any meeting of one of the Council's committees / commissions, sub-committees, working groups or neighbourhood councils to which the member has been specifically appointed (expenses are not reclaimable by other members attending these meetings, whether or not they attend by invitation)
- any meeting of the Cabinet or a Cabinet committee
- agenda planning meetings for the Cabinet, scrutiny committees and regulatory committees
- scrutiny chairs co-ordination meeting
- All Party Policy meetings
- formal inspection of Council properties and projects as authorised in advance by the Executive or a committee (including site visits for planning matters)
- in-house training and development seminars including Members' Induction, Staff Induction and service-specific seminars
- conferences or seminars approved by the Director as described at section 3.4 below

- a meeting of an external organisation, including partnership bodies, to which the councillor has been appointed as the Council's representative – for details see the list of approved appointments issued annually near the start of the municipal year, and maintained subsequently, by Democratic Services. (If the external organisation will pay travel and/or subsistence costs, then the councillor should claim against that organisation and cannot claim from the City Council.)

Expenses will not be paid for attendance at national and regional bodies if the councillor was not appointed to the organisation or event by the City Council.

Travel and subsistence allowances for co-opted (if not in receipt of an allowance) and lay/expert members of committees and panels will be paid, at the same level as for elected members.

### 3.2 Travelling expenses

Councillors receive a travel and subsistence allowance within the basic allowance. Claims for mileage and subsistence within the District have therefore been discontinued. This allowance replaces the cycle allowance and bus passes previously available.

For journeys outside Peterborough, where public transport is readily available the ordinary fare will be reimbursed if this is less than a sum based upon car mileage. However, mileage claims are usually allowable for journeys to Cambridge because of the remote location of the railway station.

The Council will pay reasonable travel costs to and from an approved duty when a councillor is absent from his/her usual residence, such as when working out of the area or when attending a residential course elsewhere. This does not cover return from holidays. If such a claim is made and an officer is unclear whether or not the expense should be reimbursed, the officer shall consult the all political group leaders prior to approving payment. Any unresolved claim is the responsibility of Council to determine.

Travel option	Details of travel expenses reclaimable (outside the district)
By public transport	<p>The ordinary fare may be claimed, supported by a receipt. For travel by rail, wherever possible the tickets should be ordered in advance through the Members' Services Unit, so that the Council's bulk discount scheme can be used.</p> <p>The Council will refund the purchase of a rail card provided that this saves the Council money in reimbursing travel expenses.</p>
By car	<p>A virtual City Council car parking permit will be provided at a charge proportionate to a member's allowances. Any member wishing to purchase a second permit will be required to pay a higher rate for their permits equivalent to an officer on the same salary as the member's total allowances.</p> <p>A residents' parking permit will be provided free upon request to assist each member with resident parking in their ward. An Executive decision dated 30 July 2002 allows members to park in parking bays in St Peter's Road when visiting the Town Hall on business (excluding disabled bays unless a Blue Badge is displayed). However, if there is a space available in the Car Haven car park, this should be used instead of St Peter's</p>

	<p>Road – May 2004.</p> <p>The car mileage rate is updated annually in accordance with HMRC rates. It applies irrespective of engine size or distance travelled, and is currently 45 pence per mile. The Council will pay, upon production of a receipt, associated actual and reasonable costs incurred on parking fees, tolls or ferries. Members must have adequate vehicle insurance to cover 'business use' to provide for their journeys in relation to approved duties and constituency activities.</p>
By taxi	<p>Councillors' use of taxis are restricted to "cases of urgency or where no public transport is reasonably available" – they allow for the actual fare and "a reasonable gratuity" to be reimbursed. Therefore, if there was no urgency, or public transport was available, any claim for taxi costs will instead be reimbursed by payment of the bus fare for the equivalent journey.</p>

### 3.3 Subsistence expenses and Council refreshments

A councillor may claim reimbursement of subsistence costs incurred personally while on approved duties outside the district. The latter are described at a separate section below. In order to qualify for reimbursement:

- the councillor must be away from his/her usual residence for a minimum of four hours (this time period applying only to the time spent in travel to and from, and attendance at, the approved duty outside the district)
- there must be no meal provided at the approved duty, either by the Council or any other organiser for the event
- the councillor should attach a receipt to his/her expenses claim form to show that a meal was purchased (and the amount paid will be the amount incurred and shown on the receipt up to the maximum limit as outlined in the Council's employee subsistence scheme).

The rates payable are paid in line with the employee subsistence scheme and is available on the Council's intranet.

Case law during 2000 showed that Councils may pay more than the subsistence maxima stated in the scheme for overnight absence, in cases where the Council pays for that accommodation directly. Peterborough requires that members ensure that any overnight stay bookings for approved duties and conferences are made by Council officers. The Council will then pay for the cost of the accommodation and breakfast.

Lunch and evening meal costs up to the subsistence amounts shown in the staff subsistence scheme and travel as described at section 3.2 can also be paid this way. The Council will not pay for bar bills or other drinks, meal costs above the subsistence maxima, telephone calls or any other incidentals purchased by the councillor during their overnight stay (such as newspapers or laundry).

Officers making overnight stay bookings should first check with the Monitoring Officer that the proposed activity constitutes an approved duty and has been authorised properly. They should make clear whether the cost is to be borne by the service department's conference budget, or whether the central Members' Allowances budget is expected to fund it. When giving the councillor the details of the reservation, they should remind the councillor that he/she must pay for any incidental charges and not add them

to the hotel bill. After the event, the officer must send a copy of the hotel bill (annotated to show the receiving councillors) to the Assistant Director Legal & Democratic Services so that the file of payments to members can be updated.

In exceptional and unavoidable circumstances, a councillor may still book and pay for overnight accommodation directly, but in these cases the maximum reimbursement which the Council will be able to make is the overnight stay as set out in the employee subsistence scheme.

### **3.4 Conference and seminar expenses**

In accordance with the Officer Scheme of Delegation, attendance at conferences and seminars is approved by the relevant Director in consultation with the Leader of the Council, taking into account the benefit to the Council that would be derived from, and the appropriate level of, member attendance. It should only be approved where the relevant service has adequate provision for this in its budget for conference attendance, ensuring that this takes account of all anticipated fees and expenses involved. The budget holder's prior approval must thus be obtained. Typical conferences include:

- Local Government Association – Chief Executive and relevant member(s)
- Institute of Leisure & Amenity Management national conference and parks seminar
- Institute of Baths and Recreation Management conference
- National Playing Fields Association conference
- CIPFA conference
- Institute of Revenues, Rating and Valuation conference
- Chartered Institute of Housing conference
- Local Government Association housing conference, tourism conference, etc
- Town & Country Planning Association weekend and summer schools for councillors
- Annual Social Services conference.

The Council will book and pay for conference and seminar expenses directly, as described in relation to overnight stays in section 3.3 above. If there is no overnight stay, then any travel or subsistence claims must comply with the usual conditions for approved duty attendance, and be submitted in the usual way on the monthly expenses claim form.

### **3.5 Expenses for travel and subsistence abroad**

Occasionally a councillor may be invited to travel abroad on official business, through his/her membership of an external organisation to which the Council has appointed him/her as its representative. Given the potentially sensitive nature of such travel in the public perception, prior City Council consent should always be obtained to the classification of the proposed activity as an approved duty eligible for the reimbursement of the associated expenses. If such approval is given, then the conditions described in the sections above apply as for any other approved duty.

The Mayor may also travel abroad for civic purposes during his/her year of office, in accordance with the Council's Civic Protocol. As with the overnight stays described at section 3.3 above, the Council will book and pay for accommodation directly.

### **3.6 Child and dependant carer's allowance**

Councillors may claim reimbursement of costs incurred in using childminders, babysitters or other sitters for dependants while carrying out approved duties. See section 2.3 above for details.

### **3.7 ICT and other equipment**

All members are entitled to a mobile telephone to assist them in carrying out their duties. These devices will be allocated on request. Any costs associated with contract rental or business calls will be met by the Council. However, the cost of any personal calls must be reimbursed to the Council. Members' Services will assist in this process.

The Council will provide on request and install in members' homes where appropriate:

- (a) A mobile phone or I pad
- (b) Google notebook
- (c) A printer
- (d) Appropriate training for IT usage.

Computer access and a printer are provided for councillors' use in each Group Room at the Town Hall, and any Cabinet Offices provided also contain office equipment for Cabinet Members' use.

### **3.8 Claims procedure (for travel and subsistence outside the district and conference expenses)**

Claims for travel, subsistence and dependent carer's allowances must be made by the eighth day of each month, for the previous month, using the members' claim form. Members should submit a signed form to Members' Services so that it can be verified and approved before the monthly payroll run. All claims received after this timescale will be submitted for payment the following month.

Councillors should ensure that they submit claims each month as claims stretching back over several months may be delayed owing to the increased difficulty of verifying them. Furthermore, very large back-claims may render the payment subject to tax and national insurance payments. Claims spanning more than one financial year must be avoided, as this would result in the later year's budget being overspent. Therefore, all claims for travel, subsistence, carer's and dependant allowances for each financial year must be made by the end of March and will not be paid after that date.

The claim form must include receipts for all expenses including a valid VAT petrol receipt within the period of the claim. The claim form must be signed by the member to declare that he/she is entitled to the amounts claimed.

If a councillor wishes to reclaim tax paid on subsistence allowances, he/she must provide relevant receipts to HM Inspector of Taxes. If a councillor applies for benefit, he/she must declare any allowances and expenses received from the Council on his/her application form.

Should it ever arise that the Council incurs expenditure on behalf of a councillor's spouse or partner, then a debtor's account will be sent to the councillor to recover all



additional costs and a copy of the accounts will be placed with the file of payments to members.

#### **4. THE MAYOR'S AND DEPUTY MAYOR'S ALLOWANCES**

Sections 3(5) and 5(4) of the Local Government Act 1972 provide for the Council to pay the Mayor and Deputy Mayor an allowance each, which it believes reasonable to enable them to meet the expenses of their office. The Council may, but is not obliged to, invite its independent Members' Allowances Panel to comment on the allowances paid.

The current allowances, which are increased annually in accordance with the LGA daily rate, are:

- Mayor £12,000 (of which £6,000 is payable directly, with the balance managed through the Mayor's Allowance Account);
- Deputy Mayor £3,600 (of which £1,800 is payable directly, with the balance managed through the Deputy Mayor's Allowance Account).

The direct sums are paid by monthly instalment with the office holders' other allowances. The balance in each case represents sums which the office holders may call upon to meet expenses incurred in the course of fulfilling their duties. The Council's Civic Protocol gives more details about the types of expenditure which these allowances cover.

#### **5. GUIDANCE FOR OFFICERS IN RESPECT OF PAYMENT TO MEMBERS**

All Officers must adhere to the above scheme when verifying and making payments to councillors. The Monitoring Officer, or those employees acting on his/her behalf, must verify all member claims prior to passing them for payment, and maintain a file of payments to members. For all payments under the members' allowances scheme, and those made under sections 173 to 176 of the Local Government Act 1972, this must show the name of the recipient, together with the amount and nature of each payment. It is open for inspection free of charge by electors in the area, who may copy any part of it.

The scheme also applies to officers incurring expenditure on a councillor's behalf – if an officer spends more than the prescribed limits shown above for a member's travel and/or subsistence then the officer cannot claim the excess, but must bear the cost personally. If an officer wishes to make a claim for member travel and/or subsistence, he/she must complete an employee travel and subsistence expenses claim form in the usual way, but stating clearly which member(s) were paid for, and the details of the payment (cost, time of day incurred) which will allow it to be checked against the prescribed subsistence scheme. A copy must be sent immediately to the Monitoring Officer for recording in the file of payments to members.

This does not prevent the payment of sums to councillors which they may legitimately claim in a personal capacity (such as a rent allowance, refund of overpaid council tax or rent, a home renovation grant, for a business transaction, damages or compensation). Any payments of this type should be processed in the normal way for that service issue, rather than through the member's payroll arrangements for allowances and expenses.

If any other issue of payment to a councillor arises, other than one covered by the above members' allowance scheme or a normal service issue, then prior written approval should be obtained from the Chief Executive or Monitoring Officer.

When a department arranges any seminar, conference, course or visit which will incur costs on behalf of a councillor, the lead officer must liaise with the Monitoring Officer to ensure that only permitted expenditure is incurred. The lead officer should keep a list of members attending an approved event, and forward it immediately afterwards to the Assistant Director Legal & Democratic Services to ensure that any subsequent member claims for travelling and/or subsistence can be verified. If the officer pays for any member's travel or meals, then a copy of the officer's own claim form (with clear details of the amounts paid for each member) must be copied immediately to the Assistant Director Legal & Democratic Services so that the file of members' payments can be updated. Likewise, hotel bills for overnight stays should be annotated to show the receiving councillor(s) and copied to Assistant Director Legal & Democratic Services.

Member tours must have prior committee or Cabinet approval (except for routine planning site visits), and will normally then be arranged by the relevant Officer within Democratic Services. Before proposing a tour, officers should check that there is adequate budgetary provision within the central Members' Budget – if not, an alternative budget must be identified.

Tours outside Peterborough may be arranged by the relevant service department. They will still require formal committee/cabinet approval and adequate budgetary provision. Any overnight stop, unless paid for directly by the Council, and any lunch or evening meals purchased for the councillors involved must adhere to the subsistence rates in this scheme. If air tickets are reserved, the cheapest rate of public air travel must always be used.

Any proposed payment or commitment of civic funds must be referred to the Monitoring Officer for prior approval. This officer must ensure all payments so made remain within budgeted levels of expenditure, and that any payments to or on behalf of members are recorded in the file of payments to members.

Any officer who is responsible for settling an insurance payment to a member from the Council's internal or external insurance funds, should copy details to the Assistant Director Legal & Democratic Services so that the file of payments to members can be updated.

If a councillor undertakes to act as a volunteer in a Council activity, the relevant lead officer must first make clear that the councillor intends to act in his/her personal capacity as a volunteer and not in an official capacity as councillor. This is very important in order to ensure that proper account is taken of the strict regulations which govern payment to councillors for meals and travel. Furthermore, the manager takes full charge of and responsibility for the activities undertaken, regardless of the councillor's official status, in accordance with the Council's procedures for volunteer assistance.

Circumstances may arise when, due to the need for political neutrality, it would be inappropriate for a councillor or his/her relatives to volunteer for a Council activity. One example would be participating in the canvass for the register of electors. For such activities, the lead officer must vet proposing volunteers thoroughly and decline offers where necessary.

## **INDEPENDENT MEMBERS ALLOWANCES PANEL**

### **TERMS OF REFERENCE**

1. To recommend to Council a scheme of payments to councillors for implementation from 29<sup>th</sup> July 2001, which:-
  - recognises that councillors undertake their council work for the sake of public service and not private gain;
  - recognises in both basic and special responsibility allowances the varying demands placed upon councillors, dependent upon their roles and responsibilities;
  - fairly and equitably compensates councillors, so far as the panel thinks appropriate, for the time and effort they can reasonably be expected to devote to their work as a councillor;
  - is economic, efficient to administer and effective;
  - is easy to understand, explain and justify to the electorate of Peterborough.
2. As part of 1 above, to recommend:-
  - the level of basic allowance;
  - which member roles should receive a special responsibility allowance;
  - the levels of special responsibility allowance;
  - whether a childcare and dependent carers' allowances should be made available, at what level, and how it should be determined.
3. To offer advice concerning the appropriate levels of allowance which should be paid for travelling/conferences/subsistence and to the chairman and vice-chairman of the council (ie. Mayor and Deputy Mayor) under sections 174, 3 and 5 respectively of the Local Government Act 1972.

### **Appointment of Panel Members**

1. Candidates will be sought by asking for quotations from suitable academic/consultancy experts, together with invitations to regional and local partners and stakeholders.
2. In order to meet the statutory guidance's three criteria for Panel membership – "truly independent, well qualified...and representative" – its composition will be as follows:
  - a public sector job evaluator or other personnel professional from the Eastern Region, appointed to Chair the Panel;
  - an academic/consultancy expert in the field;
  - a local private or voluntary sector, or union (not a council employee representative);
  - a person of well-known public standing, such as from one of Peterborough's faith communities;
4. The members of the panel will be appointed by the Chief Executive, in consultation with group leaders.

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